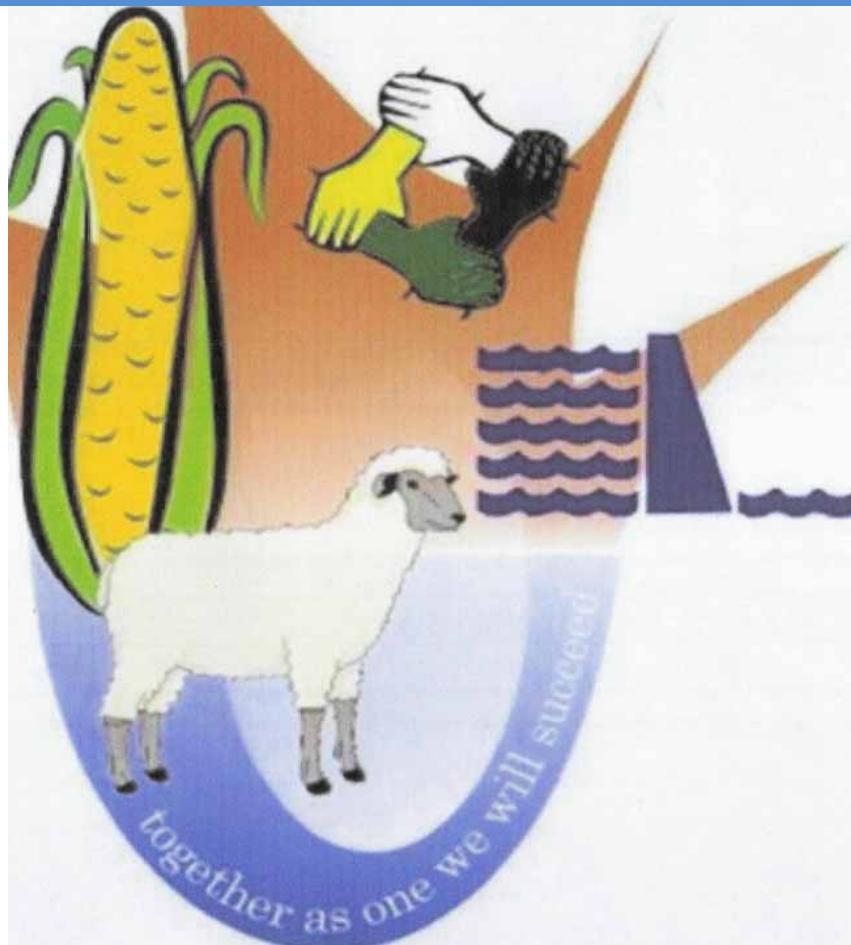


2011



**[RENOSTERBERG
MUNICIPALITY ANNUAL
REPORT 2011/12]**

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1 CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 ***MAYOR'S FOREWORD***

Dear people of Renosterberg, it is indeed a pleasure to present to you the Annual Report of the municipality in terms of the Municipal Finance Management Act. This document is not just mere compliance but an account of what has happened in the year that was, 2011/2012 for the Renosterberg Municipality.

As most of you are aware, the municipality was rocked by a spate of resignations and was consequently run by seconded officials from the various local government partnering institutions. In this regard, it is important that we share with you that an organisation as complex and complicated as a municipality can barely survive with a non-permanent core of senior leadership. Such situations cause a serious problem in accountability and reliability of service delivery to the communities and as such affects the general perceptions that the public holds about the municipality.

Some of the consequences of not having focused senior leadership is that there has been an overall degeneration in the work ethic within the municipality and consequently a decrease in the payment culture. Some of the other direct consequences for the status quo is the lack of a development vision and the human capacity to implement such a vision.

We have since put in place measures to ensure that we mitigate the situation. In this regard, we will be recruiting the senior management starting with the Municipal Manager. In turn, the Municipal Manager will recruit the other Senior Managers.

We will also be systematically be engaging the new leadership once appointed on the development of a turnaround strategy, which will focus on the improvement of the productivity within the municipality, the enhancement of the revenue systems at the municipality, the improvement of service standards and the governance and management focus.

Whilst we have challenges, it is our firm belief that no municipality would have survived under such circumstances and therefore we have tried to stay afloat. We pledge to you the people of Renosterberg Municipality that we will spare no effort to ensure that you get nothing less than what you deserve.

We also submit that the current situation was made possible by our various partners in service delivery and it would be ungrateful from our side if we don't acknowledge them and their contribution. Very specifically we would like to give our infinite gratitude to the Provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs, Provincial Treasury and the District Municipality. We assure you that your efforts will not be in vain.

Dankie, Enkosi, Thank You..

1.2 ***OVERVIEW OF THE MUNICIPALITY***

1.2.1 PHYSICAL CHARACTERISTICS of RENOSTERBERG

Renosterberg Municipality is a vast area comprising half a million hectares (554 502.514 Ha). Renosterberg Municipality is located on the banks of the Orange River in the Pixley Ka Seme District Municipality of the Northern Cape.

The largest town is Petrusville, followed by Philipstown and Vanderkloof. Vanderkloof is a resort town on the Vanderkloof dam on the Orange River. Many households live on farms which are mainly commercial sheep and game farms.

The raison d'être of the towns in Renosterberg is their role as agricultural service centres. These small towns perform important functions:

- As administrative centres for government
- As retail centres
- As centres providing basic educational and health facilities
- As resource centres for the farming hinterlands
- Small towns remain important destinations for people migrating from rural to urban areas
- Some small towns have also turned their smallness into an asset, with innovative tourist strategies

Because the Karoo is highly urbanised, most of the population live in towns. Because of apartheid style planning most towns has distinct township or suburb areas. The poor usually live furthest from the centre of town, and the townships and town do not form a coherent whole.

In the discussion and analysis of the municipality the above areas will also be dealt with as separate "ring-fenced" areas. Renosterberg Municipality covers approximately 552 700 ha of land and forms ± 5% of the total area of the Pixley Ka Seme District Municipality.

Refer to the locality map for a layout of Renosterberg relative to the Northern Cape Province and also to the Pixley Ka Seme District Municipality. Table 1 shows the size of the local municipalities in relation to one another within the district municipality. There are vast distances between the towns, with extensive farming areas in between.

Table 1.1 Local Municipal Areas

Municipality	Km ²	% of DM	% of Northern Cape	Persons/km ²	Households/km ²
DMA	15 692	15.3%	4%	0.20	0.07
Emthanjeni	11 388	11.1%	3%	3.11	0.77
Kareeberg	17 698	17.2%	5%	0.54	0.14
Umsobomvu	6 813	6.6%	2%	1.64	0.45
Siyancuma	10 027	9.8%	3%	3.57	0.92
Siyathemba	8 251	8%	2%	2.12	0.51
Thembelihle	6 978	6.8%	2%	2.00	0.50
Ubuntu	20 389	19.8%	6%	0.80	0.21
Renosterberg	5 530	5.4%	2%	3.46	0.86
Pixley Ka Seme	102 766	100	28%	1.60	0.41

Source: Pixley ka Seme DM IDP 2010/11

1.2.1.1 Composition

The total demarcated municipal area serviced by the Renosterberg Municipality covers approximately 5 530km². The major three urban settlements are Petrusville, Phillipstown and Vanderkloof. The municipal offices are situated in Petrusville, with Phillipstown and Vanderkloof forming the supporting towns.

Major transport corridors is the R48 linking De Aar with Phillipstown and the R389 moving in a southern to northern direction linking Phillipstown with Petrusville. [Map 2: Locality Renosterberg Municipality](#): shows the location of the three towns and major transport infrastructure.

The area has a low rainfall while the largest river in South Africa flows though the area. One of the major dams in South Africa are situated on the borders of the Municipality; Vanderkloof Dam.

1.2.1.2 Climate

Landforms associated with plains, hills and lowlands cover approximately 80% of the area. Plains have slopes of less than 5° (8%) and result in a gradual change in climate conditions. This region is characterised by very extreme climate conditions with average summer temperatures of 24°C and average winter temperatures of 14°C.

These extreme climate conditions reduce the study area's agricultural potential. Access to irrigation water will be crucial for any cultivation to occur due to the overall arid conditions

and the risk wilting under the influence of very high temperatures, while frost limits the type of crops that can be cultivated in the study area (PKS IEMP, 2007).

1.2.1.3 Rainfall

This region is very dry and most of the region receives less than 300mm of rain per annum. Renosterberg forms part of the Oranje river catchment area. The Oranje River is the only perennial river in the region.

Rainfall occurs very sporadically in the form of summer thunderstorms. The Great Escarpment runs south eastwards from the mouth of the Orange River over the higher lying areas and eastwards influences the climate of the whole region.

Average annual rainfall of the Northern Cape ranges between 450 mm in the east, to less than 50mm in the west. Average annual evaporation ranges between 1600 mm in the east and 2400 mm in the west (Pixley Ka Seme SDF, 2007).

1.2.1.4 Temperatures

Mean annual temperatures range between 16°C and 20°C (Schultze, 1997). The mean annual minimum/maximum temperatures are estimated to range between 8°C and 28°C. As abstracted from Schultze (1997), the Renosterberg Municipal Area can be divided into two major temperature zones for each of its mean annual, mean daily minimum (July) and mean daily maximum (February) temperature ranges.

1.2.1.5 Geology

The major stratigraphy of the region consists of the following sequence from west to east:

Dolerite:

Engineering Qualities: The clayey soils are expensive and may cause damage to foundations. Dolerite is an excellent construction material and especially the slightly weathered varieties in the west of the country are used as road stone. The unweathered rock is widely used as concrete aggregate and in road and dam construction. Care should be taken against the rapid weathering types, which may break down rapidly (days/months).

Unique qualities: The general resistance to weathering of these intrusions has caused the distinct positive linear topographic features in the horizontal sedimentary rock strata of the Karoo. It is also generally regarded as a good aquifer in the dry regions. The general use of dolerite as a construction material has caused the widespread occurrence of quarries along roads and near towns and dams.

Tillite:

Engineering Qualities: Slope instability may cause problems in exposed slopes and cuttings. *It is a good construction material, but may break down. The soils are sometimes expansive and usually dispersive.*

Sand:

Engineering qualities: The sands are sometimes too loose for normal foundations and settlements may take place. It is usually suitable for fine concrete aggregate. In the arid parts a major problem is the movement of these sands by wind.

Andesite:

Engineering qualities: The residual soils are expansive. Soils are only non-expansive in the early and late stages of weathering. Depth and stage of weathering vary significantly over short distances and may cause foundation problems. Large, un-weathered core stones in the soil profile cause problems with installation of poles as well differential settlement. Damage to houses may be limited by using reinforced masonry work, flexible couplings in pipes and good site drainage with piled foundations or raft foundations in larger structures.

Quartzite:

Engineering qualities: Quartzite is a very strong rock forming excellent foundations. It is fairly difficult to excavate in these rocks. The residual soils are usually strong, non-compressible and non-leaving. The rock is widely used as concrete and road building materials, although the high sulphur content due to the presence of pyrite cause some problems with salt blisters in roads and stains in concrete in the Witwatersrand.

Unique qualities: Quartzite is such an excellent aggregate that it is used as a reference aggregate.

Mudstone:

Description: Sedimentary rocks are built up of particles originating from the weathering of other rocks and deposited in one or other depositional basin. Clay-sized particles (mud) are transported in suspension in water and eventually settle in deep water marine or fresh water lakes. After compaction and cementing it is called mudstone. Clay refers to particles smaller than 0.02mm and may consist of the minerals illite, quartz, feldspar and a mixed layer of montmorillonite-illite and sometimes kaolinite. Mudstone occurs within a succession of coarse-grained sandstone alternating with fine-grained mudrock. The most widespread occurrence is in the Karoo strata, which cover 75% of the central subcontinent.

Engineering qualities: The un-weathered rock is soft to very soft with properties similar to over-consolidated clay. The rock mass is impermeable and the rock may be of the rapid weathering (slaking) type, which break up after exposure to the atmosphere. If the rock mass is dipping at an angle, slopes are usually unstable and movement may take place along bedding planes. If the original clay was of the expansive types, then the rock and the residual soils will be expansive and may cause damage to structures. Weathered and un-weathered mud rock are used as brick-making material.

Unique qualities: The soils are highly dispersive and this results in deep donga's forming on many slopes in the Karoo.

Shale:

Description: Shale is a sedimentary rock consisting of silt and clay sized particles and with visible layering (fissile) as opposed to a mudstone that is massive. Shale always occurs within a succession of coarse-grained sandstone altering with fine-grained shale (mud rock). The most widespread occurrence is in the Karoo strata which covers 57% of the central subcontinent.

Engineering qualities: The un-weathered rock is soft to very soft with properties similar to over consolidated clay. The rock mass is impermeable and the rock may be of the rapid weathering (slaking) type, which break up after exposure to the atmosphere.

If the rock mass is dipping at an angle, slopes are usually unstable and movement may take place along bedding planes. If the original clay was of the expansive types, then the rock and the residual soils will be expansive and may cause damage to structures. Weathered and un-weathered shale is the main source for brick-making material.

1.2.1.6 Biological Productivity

The area encompasses three separate ecological regions, which extend beyond the region's boundaries. In this regard the following is noted:

- No bio-geographical unit is unique to the area;
- The ecological regions of the area are not as rich in species as many such similar regions located outside of the area; and
- The diversity of species in itself does not warrant the establishment of a conservation reserve.

At a more detailed level, accepting that the species composition, vegetation form and individual landscape units change over small distances there are some 60 vegetation-landscape units which are unique to the Pixley Ka Seme District Municipal Area.

The principal features [with respect to bio-diversity, uniqueness and conservation-worthiness] of the study area's three ecological regions are described as:

- Savanna: are located mostly in the areas north of the Oranje River and covers 11% of the area in the Pixley Ka Seme District. They are the basis for livestock industry and the wildlife in these areas is a key tourist attraction.
- Nama-Karoo: covers 87% of the area. The area forms an ecotone or transition between Cape flora to the south and the tropical savannas of the north.
- Grasslands: covers only 1% of the area and are mostly located to the south eastern boundary. The grassland biome is regarded as the third-richest area in term of plant species diversity, with a total number of 3 788 species.

1.2.1.7 Grazing Capacity

In the past, the continued healthy existence of the veldt was due to the uneven geographic distribution of grazing pressures (largely because of the limited availability of stock-watering points). With the increased provision of stock-water points (especially in recent decades) which is not necessarily accompanied by increased rainfall (the primary vegetation driver), two trends are evident:

- Grazing pressures are greater, relative to the climatic capacity for increased vegetative growth;
- The development of previously undeveloped grazing areas through the increased provision of watering-points has enabled greater numbers of stock to graze over a larger area, thereby reducing the proportion of ungrazed veldt. This has directly reduced the ability of certain areas to re-vegetate after drier periods [e.g. winter and droughts].

The trend is therefore one of reducing the systems natural flexibility and declining vegetation resilience. This is causing an exponential degradation of the veldt condition, with resulting decreasing stocking potential and animal biomass productivity. If this trend continues, natural vegetation for grazing will soon outstrip stock watering as the region's inherent limiting factor with respect to live-stock.

Furthermore, wherever there is heavy grazing pressure in the area, there is a tendency towards an increase in woody plant biomass. This is mostly due to an increase in the density and size of swarthaak and other bush species. At these levels of bush encroachment, grass growth is negligible and cattle movement is impeded.

As the veld will not recover by itself, bush encroachment will become a serious problem, especially around all the water points in the area. The only management option, other than ignoring the problem, is costly mechanical and chemical removal, although the process can be slowed down by the introduction of goats into the area.

1.2.1.8 *Land Degradation*

Land degradation due to soil erosion is mostly related to a lack of vegetation cover mainly due to overgrazing and indiscriminate tree cutting (deforestation), with wind and sheet erosion being the most common problems.

Changes in plant species composition, on the one hand, is a serious problem and loss of plant cover, on the other, a major concern in respect of land degradation. According to the environmental studies another concern is the possible further contribution to land degradation which may be caused by increasing number of people that purchase livestock.

While government-sponsored programmes such as drought subsidies, alien bush clearing, agricultural extension services, farmer study groups and the application of agricultural and environmentally related legislation contributed to a decrease in the rate of land degradation in certain areas, insufficient access to land, poor infrastructure and a lack of education, finances and government support, promoted land degradation in others.

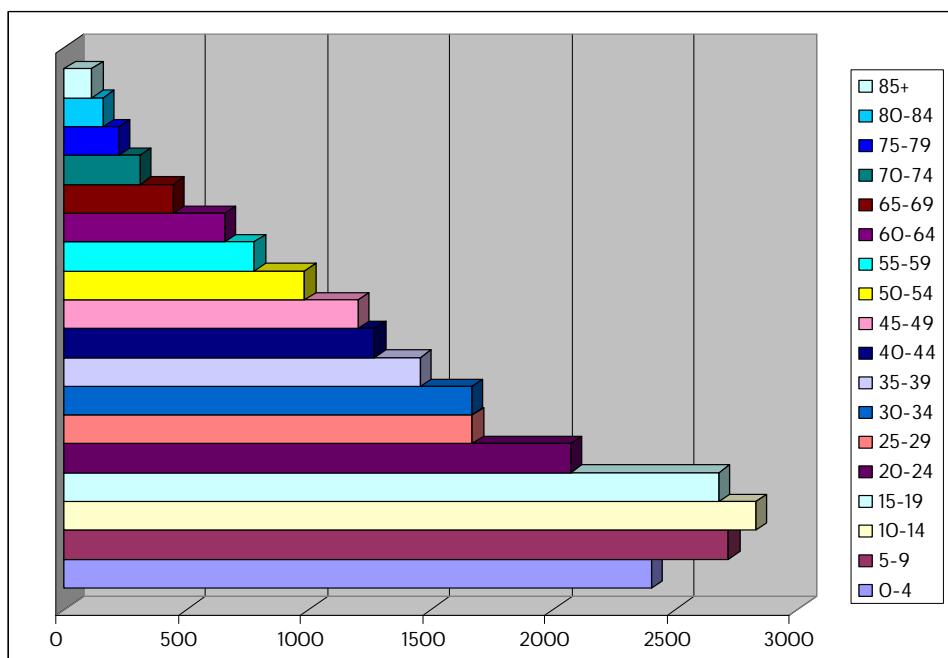
1.2.2 DEMOGRAPHICS

Renosterberg Municipal Area has a population of approximately 9 069 persons (StatsSA 2001) and 9 836 in 2006 (DWA), the majority of which reside in the Petrusville area. The average household size in the Pixley Ka Seme District area is 4.52 persons per household (Pixley Ka Seme IDP, 2007). The average household size in Renosterberg is 5.3 persons per household.

Within the whole municipality there is a recorded negative growth of population with an estimated population growth of -0.29% by 2015. The biggest contributing factor to the negative growth being HIV/AIDS and migration of people out of the district. Within the

municipality, migration is mainly from most rural area to the urban areas such as Petrusville. Figure 1 shows the population per age group within Renosterberg Municipality

Figure 1: Population per Age Group



(StatsSA, 2001)

The population is as follows:

- The population can be classified as young with approximately 60% of the population below the age of 30.
- 46% of the population are youth.
- The youth make up approximately 95% of the economically active population.
- The population of the municipality is decreasing.

1.2.2.1 Gender and Race

The age-sex structure of a population determines characteristics such as income earning potential and basic needs e.g. and old population needs special health care and welfare. 51% of the Northern Cape's population is female.

Discrepancies in the male/female ratio are caused on locally economic activities. Men outnumber women in areas where mining or agriculture is the predominant economic sector. The race group ratio of Pixley Ka Seme and Renosterberg are related in Table 2.2. Gender

Table 1.2. Gender

	Male	Female	Total	Male %	Female%	Total
Pixley Ka Seme	80 092	84 513	164 613	49%	51%	100%
Renosterberg Municipality	4 414	4 658	9 072	48%	52%	100%

(StatsSA, 2001)

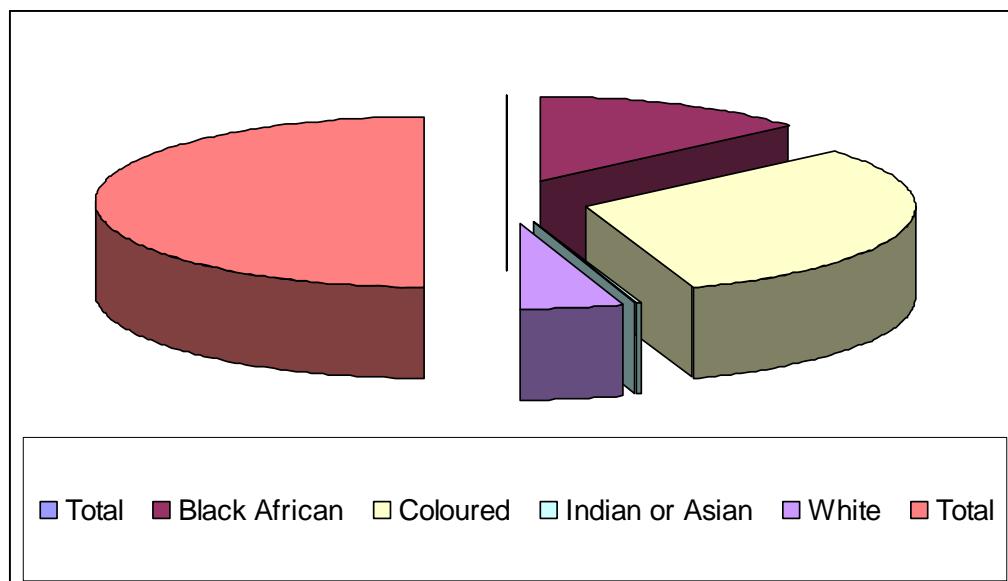
Fifty-two percent of the Northern Cape households are headed by females. In Pixley ka Seme, 34% are headed by women with the highest 45% in Renosterberg Municipality.

Table 1.3. Race

	Total	Black African	Coloured	Indian or Asian	White	Total
Pixley Ka Seme	164 651	27%	62%	0%	11%	100%
Renosterberg Municipality	9 430	27.4%	62%	0.4%	10.1%	100%

(StatsSA, 2001)

Figure 2: Population per Age Group



(StatsSA, 2001)

1.2.2.2 Population Density

Census 2001 classifies settlements according to the characteristics of a residential population in terms of urban and rural, degree of planned and unplanned (in the case of urban) and jurisdiction (in the case of rural). The four broad settlement types found in South Africa are:

- Formal urban areas;
- Informal urban areas;
- Commercial farms;
- Tribal areas and rural informal settlements.

Population density is a key factor in determining the provision of infrastructure and services. The population density of the District is 2.1 persons per km² which is less than the Provincial density of 2.27 persons per km². According to the Districts IDP (2007) Renosterberg Municipality population density is 4 persons per km². This indicates that Renosterberg Municipality has a population density well above the average density of the District. From a planning point of view, this inequitable population distribution within the district will require formulation and implementation of regional development policies so as to remove the imbalances (PkS IDP, 2007).

Table 1.4. Population Density of Renosterberg in a District contents

Town	Population 2001	Households 2001	% Household in DM	% Population in DM
Renosterberg	9 069	2 278	2.18%	12.31%

(SatsSA, 2001)

According to the above classification, Renosterberg Municipality, can be classified as urbanized (implying that most households live in settlements and towns i.e. not scattered or living on farming units), with only 1% of households living dispersed on farms.

Table 1.5: Settlement Types

Municipality	Registered Erven	Parent Farms Number
Petrusville	1571	
Phillipstown	1400	
Vanderkloof	514	
Rural		174
Renosterberg	6728	174

(Surveyor General, April 2008)

Apartheid style of planning in the urban areas has resulted in distinct townships and suburb areas. The poor usually live furthest from the centre of town, with the townships and town not forming a coherent whole. This has an impact on the daily movement of people and results in greater use of vehicular transport. Population is clustered at the larger settlements throughout the Municipality.

1.2.2.3 Population and Households

The largest town in the study area, Petrusville; has a population of close to 3 717 persons, living in more than 509 households, whereas the Vanderkloof has less than 300 households.

Renosterberg has the third smallest population within the Pixley Ka Seme District Municipality.

A summary of the population figures is given in Table 2.6. According to the 1996 census, Renosterberg had a total population of 8925, with an average of 4 people per household.

During 2001 a land use survey of all these towns was conducted. If the data of the survey is compared to the 1996 census and using the same average household sizes, the 2001 population is estimated at 8791 for the towns plus 2355 for the farming areas (same figure as 1996 census) which gives a total current population of 11,146.

This figure is substantially higher than the 1996 census figure and the difference can be attributed to:

Farm dwellers that have migrated to the towns and because the survey was not conducted on the farms, the possible reduction in the farming population could not be picked up.

Table 1.6. Population Distribution in Municipal contents

Town	Population 2001	Households 2001	% Household in RM	% Population in RM
Petrusville	3717	741	40.99%	32.80%
Phillipstown	3300	509	36.39%	22.53%
Vanderkloof	1200	243	13.23%	10.76%
Rural	852	766	9.39%	33.91%
Renosterberg	9069	2259	100.00%	100.00%

(Municipal Demarcation Board: 2006

In Vanderkloof the census was conducted outside holiday periods. As a large number of houses in Vanderkloof are only used for holiday purposes the possible maximum population of Vanderkloof was under estimated in the '96 census.

According to the 1996 census, Vanderkloof had a population of 876 with a total number of households of 243. In the land use survey of 2001 the number of residential erven occupied were calculated as 391 which is substantially higher than the 243 of the census.

As a large percentage of the houses in Vanderkloof is used only for holiday purposes, the population figures fluctuates significantly from in season to out of season.

The census in 1996 was conducted out of season and would therefore be more representative of the average population of the town. For the design of services and amenities this figure will however be too low and the higher figure calculated from the 2001 land use survey should be used.

According to the 1996 census Petrusville had a population of 3450. From the 2001 land use survey, the population was calculated as 3975. The increase can mainly be attributed to an

influx of mainly farm dwellers that have settled in the settlements of Greenpoint, Squatters, Ou Lokasie and Sinyoka.

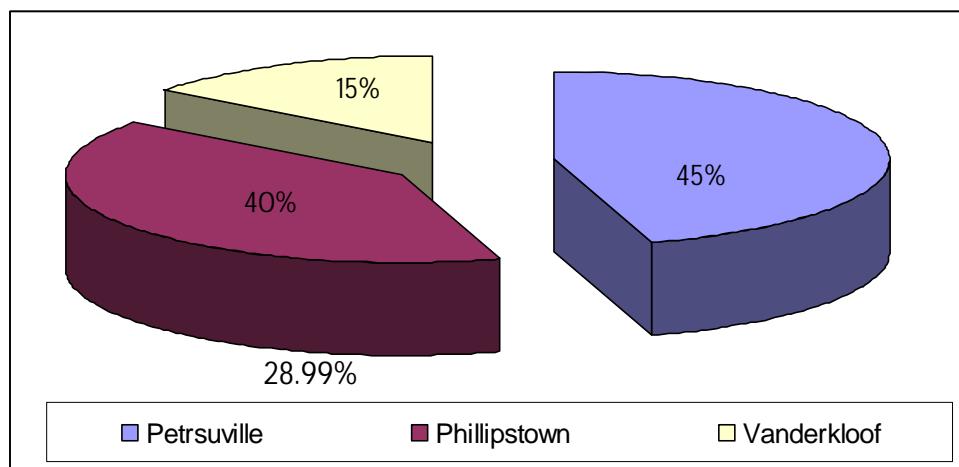
According to the 1996 census, Phillipstown had a population of 2244. Through the 2001 land use survey, the population was estimated at 3594. This significant increase is mainly in Lukhanyisweni where the population has increased by approximately 1200 from 254 to 1452. This increase can also largely be attributed to farm dwellers that have moved from farming areas to the town.

According to the 1996 census there were 2355 people on the farms in the Renosterberg Municipality. This figure could not be verified but it can be expected that this figure has dropped / decreased significantly due to the fact that the population in the black and informal settlements in both Petrusville and Phillipstown have increased significantly during the past 5 years due to the migration of farm workers.

This figure should however be updated in future either after the 2001 census figures becomes available or through a process to update the statistics of the farming communities.

The above is reflected in *Figure 3: Household Distribution* which indicates the population distribution in 2001 for the Renosterberg Municipality. This pattern has not changed dramatically since.

Figure 3: Population Distribution in Municipal Contents



(StatsSA, 2001)

The highest number of persons per household is found in Petrusville and the lowest in the Vanderkloof.

1.3 EXECUTIVE SUMMARY

1.3.1 VISION

Renosterberg Local Municipality pledge sustainable development, quality services, positive change and conducive environment for all

1.3.2 MISSION

To achieve our vision we provide:

- ✓ Optimum human and natural resource for effective affordable and sustainable service delivery
- ✓ A healthy and secure community
- ✓ A community friendly environment
- ✓ socio- economic development as catalysts for positive change
- ✓ Clear Political and Administrative interface.

1.3.3 CORPORATE CULTURE AND VALUES

In unity be an inspired entity committed uphold community aspirations and values enshrined in the Constitution of the Republic of South, thus commit to:

- ✓ Promotion of co-operative governance and Total Quality Management
- ✓ Democratic and accountable governance for sound management.
- ✓ Visionary Transparent, and entity guided by Batho Pele principles and codes of conduct for councillors and officials
- ✓ We commit ourselves to the codes of conduct for councillors and officials in the Municipal System Act and to the principles of Sound financial management.

1.3.4 SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none">• Good water resources• Good bulk infrastructure(water)• Basic sewerage infrastructure• Sewerage network• Land• Communication (News letter)• Health and Safety• Municipal Buildings Assets• Vanderkloof Holiday Resort• Vanderkloof dam (availability of good water resource)• Rolfontein game resort• Connecting Roads• Airfield Strip• High level commercial farming• Community participation (Ward Committees)• Co-operation of Councilors• Council, Municipal Officials share same vision and mission	<ul style="list-style-type: none">• Professionals (Lack of qualified employees)• Lack of Communication• Customer care• Lack of Retention of skilled labour• Control over municipal assets• Lack of supervision• Lack of law enforcement personnel (implementation of by-laws)• Lack Employee wellness programmes• Lack of Funding• Investment• Polices, Procedures and BY-LAWS• Lack of economic opportunities• Poor payment culture• Lack of internal controls• Financial system not optimally

<ul style="list-style-type: none"> • Commitment of personnel staff • Support of national, Provincial Local government District and other sectors, e.g. DBSA • Policies & By laws • Transparency 	<ul style="list-style-type: none"> utilised • Job descriptions not in place • Non compliance with legislation • Lack of resources at satellite offices • Lack of capacitated Officials (learners) • Websites • Unproductive Employees • Fire Hazards (Disaster management) • Discipline of Employees • Fleet (Shortage and ageing) • Ageing of the water networks • Pump units (water and sewerage) • Dumping site, upgrading • Ageing of the electrical network • Ageing and shortage of fleet and plant • Shortage of personnel • Bad state of roads and storm-water • Proper maintenance of existing infrastructure • Supervision measures of staff not in place
OPPORTUNITIES <ul style="list-style-type: none"> • Youth Development Programmes • Job creation • Training of personnel • Vanderkloof Dam • Holiday resort (tourism opportunities) • Farming • Aunix Stone • Rolfontein • Warm water (Philipstown) • Water Festival • Clay (Petrusville) • Website of Mun. • Good infrastructure base • Job creation through projects • Training of communities through projects • Funding from sector departments • Finalisation of PPP which can lead to revenue base (resort) • Engagements with Ratepayers Association 	THREATS <ul style="list-style-type: none"> • Professional (Skilled manpower) • Incompetence of staff • Immigration (Foreigners, farm workers) • Lack of policies and by-laws • Competition (Gariep Dam) • Pakistanis and Chinees • Untidy towns • Lack of Commonage Land • Communication • Land audits • Lack of funds • Unreliable no of indigents (for funding purposes) • Ageing infrastructure Demarcation (Service delivery – Issue of ward 4) • Crime which leads to vandalism of structures/ municipal infrastructure • Municipal building (Offices is not conducive for disabled) • Injuries on duty • Lack of enough commonage

<ul style="list-style-type: none"> • Correcting of accounts 	<ul style="list-style-type: none"> • Inaccurate/faulty accounts • Non-cooperation by staff (meter reader division)
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1.3.5 RENOSTERBERG STRATEGIC OBJECTIVES

The Renosterberg Municipality determined a number of Strategic Objectives to guide the way forward for the Municipality and they are:

- ✓ Development and review policies and by-laws as part of compliance to regulations, and ensure that at least 20% of the outstanding by-laws are submitted to the Provincial Legislature for Promulgation,
- ✓ Insurance Policy Insured
- ✓ To develop and install the website for communication and information sharing
- ✓ To ensure Performance Management and Reporting
- ✓ To effectively support internal political interfaces
- ✓ Better Human Resource Development
- ✓ Development and Implementation of the Skills Development Plan (WSP)
- ✓ Implementation of the Occupational Health and Safety Plan
- ✓ Implementation of Continuous risk assessment
- ✓ Ensure compilation of Integrated Development Plan
- ✓ Ensure proper implementation of the Land-use Management System
- ✓ Disaster Management to respond to the development of a well functional disaster management unit
- ✓ Ensure effective utilization and maintenance of public facilities, e.g Library services and Recreation facilities
- ✓ Ensure establishment of drivers licenses stations to maintain law and order, and be a vehicle which will also respond on revenue enhancement
- ✓ Assert management like Municipal Buildings, properties, etc
- ✓ Strengthen staff capacity and internal processes, e.g staff discipline, labour relation, mutually accountable to the communities and stakeholders.
- ✓ Ensure compliance to donor requirements and conditions of grants
- ✓ Avail financial information to civil society, networks and general public
- ✓ Proactively engage with planning processes at all stages and ensure timely, accurate financial reporting
- ✓ Play a pro-active role in the process of financial management at all levels
- ✓ To have an efficient and effective risk-based audit service LED strategy implementation which will ensure an LED sustainable initiative/project in all three towns
- ✓ Support BEE as part of economic development
- ✓ Promotion and facilitation of investment to the municipal area
- ✓ Tourism development and promotion
- ✓ To promote economic development and job creation
- ✓ Support BEE as part of economic development
- ✓ Distribution of electricity and maintenance
- ✓ Facilitate accelerated housing delivery
- ✓ Solid waste management
- ✓ Wastewater management, water services and sanitation Roads and storm-water
- ✓ MIG

2 CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 BACKLOGS IN SERVICES DELIVERY

2.1.1 RELATING BACKLOGS TO MUNICIPAL SPENDING ON SERVICE DELIVERY

MIG Spending

Municipality	Fund	Ward No /Area / Village	Project Name	Total expenditure 2011/2012
Renosterberg	MIG 01/07/2011-30/06/2012	2	139:Petrusville Sport Complex	R 2 238 044.00
Renosterberg	MIG 01/07/2011-30/06/2012	1	273:Phillipstown Upgrading of gravel access roads	87806
Renosterberg	MIG 01/07/2011-30/06/2012	4	992:Keurtjieskloof construction of roads	1644131
Renosterberg	MIG 01/07/2011-30/06/2012	1	991:Philipstown construction of roads Phase 1	169875
Renosterberg	MIG 01/07/2011-30/06/2012	2	990:Petrusville Construction of streets & stormwater Phase 1	694173
Renosterberg	MIG 01/07/2011-30/06/2012	1	991:Philipstown construction of roads Phase 2	0
Renosterberg	MIG 01/07/2011-30/06/2012	2	990:Petrusville Construction of streets & stormwater Phase 2	0
Renosterberg	MIG 01/07/2011-30/06/2012	2	274:Petrusville Solid Waste disposal sites	R 559 401.64
Renosterberg	DWA 01/04/2011-31/03/2012	4	Replacement of Scourers at vanderkloof WTW	1450000
Renosterberg	DWA 01/04/2011-31/03/2012	4	Vanderkloof Pipe refurbishment	4472285
Renosterberg	DWA 01/04/2011-31/03/2012	4	Vanderkloof Replacement of pumps in WTW	200000
			Total	R 11 515 715.64

3 CHAPTER 3: HUMAN RESOURCE AND OTHER INSTITUTIONAL MANAGEMENT

3.1 DISCLOSURES CONCERNING COUNCILLORS, DIRECTORS AND SENIOR OFFICIALS - FOR THE PERIOD 1 JULY 2011 TO 30 JUNE 2012

Councillor's arrear Consumer Accounts

Councillor's arrear Consumer Accounts

During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

The following Councillors had arrear accounts outstanding for more than 90 days as at:

30 June 2012	Total	Outstanding up to 90 days	Outstanding more than 90 days
Clr IZ Kwinana	12 884	1 150	11 734
Councillor J Niklaas	5 622	441	5 181
Councillor JD Havenga	4 488	1 200	3 288
Councillor D Bitterbosch	371	371	-
Councillor J Olifant	11 844	2 055	9 789
Councillor K Olifant	2 163	743	1 420
Councillor H Booyens	2 168	663	1 505
Total Councillor Arrear Consumer Accounts	39 540	6 623	32 917
30 June 2011	Total	Outstanding up to 90 days	Outstanding more than 90 days
Clr IZ Kwinana	11 817	1 150	10 667
Councillor J Niklaas	5 151	441	4 710
Councillor JD Havenga	4 189	1 200	2 989
Councillor D Bitterbosch	371	371	
Councillor J Olifant	10 954	2 055	8 899
Councillor K Olifant	2 034	743	1 291
Councillor H Booyens	2 031	663	1 368
Total Councillor Arrear Consumer Accounts	36 547	6 623	29 924

During the year the following Councillors had arrear accounts outstanding for more than 90 days:

30 June 2012		Highest amount outstanding	Ageing
Clr IZ Kwinana		11 734	> 90 Days
Councillor J Niklaas		5 181	> 90 Days
Councillor JD Havenga		3 288	> 90 Days
Councillor J Olifant		9 789	> 90 Days

<i>Councillor's arrear Consumer Accounts</i>			
Councillor K Olifant		1 420	> 90 Days
Councillor H Boysen		1 505	> 90 Days

REMUNERATION OF COUNCILLORS			
Speaker/Mayor		356 446	356 446
Mayoral Committee Members			
Councillors		1 521 544	1 361 685
Company Contributions to UIF, Medical and Pension Funds			
Sundry Allowances (Cellular Phones, etc)		-	-
Allowances allocated to Employee Related Costs in General Ledger		-	-
Total Councillors' Remuneration		1 877 990	1 718 131
<i>In-kind Benefits</i>			
Councillors may utilise official Council transportation when engaged in official duties.			
The Mayor has use of Council owned vehicles for official duties.			

<i>Remuneration of Senior Officials</i>			
<i>Remuneration of the Municipal Manager</i>			
Annual Remuneration		185 516	552 594
Performance Bonus		-	46 049
Car Allowance		15 894	95 364
Other		43 748	164 621
Total		245 158	858 628
<i>Remuneration of the Director: Finance</i>			
Annual Remuneration		1 887	371 547
Performance Bonus		-	38 341
Car Allowance		-	30 962
Other		52 885	184 796
Total		54 772	625 646
<i>Remuneration of the Director: Corporate Services</i>			
Annual Remuneration		132 815	324 048

Performance Bonus	20 207	27 004
Car Allowance	7 259	43 553
Other	23 120	103 738
Total	183 401	498 343
<i>Remuneration of the Director: Technical</i>		
Annual Remuneration	103 783	373 926
Performance Bonus	36 346	31 161
Car Allowance	13 008	78 048
Other	19 160	80 977
Total	172 297	564 112

3.2 ORGANISATIONAL STRUCTURE

The municipality had experience institutional problem were most employee could not respond to attend trainings to empower them in order to better their responsibilities. At the beginning of 2011/12 there was shift interim which result to the entire management being taken out of the municipality and placed to different departments. As the result departments were approached for temporary measures during mid-2011/12.

Challenges had to be identified in responding to capacity problems and ensure the municipality function as expected. First the cogsta seconded the acting municipal manager, treasury seconded the acting cfo and the technical manager who was also seconded could not cope and went to the department. Presently nothing can be done with regard to the organisational structure until new management is recruited and the municipality operate normal with full establishment of management to drive the municipality. This is anticipated to happen during 2012/13 financial year if possible

The municipality had two components who ensures the functionality of the municipality namely: Political (Represented by the Mayor) and Skeleton Administrative (Headed by the Acting Municipal Manager).

POLITICAL STRUCTURE

The office is headed by the Mayor (Mr Z Kwinana) on full-time capacity and there's also a Personnel Assistant (Mr. N. Veli) whose role is to advise the Mayor, ensure committees and ward committees function as expected. The responsibility of this office: Oversee service delivery and communicate with the community, Identify community needs and prioritise them, Evaluate performance of municipality, Give direction to municipality through strategic planning and Perform ceremonial duties.

COUNCIL COMMITTEES: As plenary municipality the council committees provide an opportunity for councillors to participate actively in governance of the municipality. On quarterly basis those committees sits to prepare items for council meetings.

WARD COMMITTEES: The structure role is to enhance community participatory democracy. The ward committee constitute by: Ward Councillor (Who becomes the Chairperson) and

nine (9) other person who supposed to represent diversity of interests in the ward and be gender and race sensitive. Its function is to make recommendation through its councillor to council committees and council on developmental and social issues that affect the ward. Challenges of those committees are: Trainings, resources and monitoring in order to improve in their responsibilities.

SKELETON ADMINSTRATIVE

The Acting Municipal Manager as the head of the municipality is assisted by the Acting which are categorised as skeleton staff to rescue the municipality and ensure it operate accordingly. The currently organogram made provisions for the office of the Municipal Manager and three departmental managers which are all vacant and need to be filled namely: Financial Manager, Corporate Service Manager and Technical Manager.

The organogram made provision for 128 staff/employees which means 124 employees are permanent and 1 employee are temporary.

Staffing Level as till March 2012

CATEGORIES	NUMBER OF EMPLOYEES
Management	0
Administration	20
Technical (Foremen & Electrician)	4
Labourers	98
Securities	2
TOTAL	128

OFFICE OF THE MUNICIPAL MANAGER

This office prescribed its responsibility from those provided in Section 55 of the System Act, legislation and delegated by the council through the Mayor. The council still had to fill this position which is vacant, which mean the municipality is lead by Acting Municipal Manager for temporary basis.

FINANCE DEPARTMENT

The department had to ensure it provide sound financial management, the position is vacant and to be filled during the financial year. Its task is to:

- ✓ Render and manage financial services (Payment of Personnel salaries and services providers)

- ✓ Promote Budget control and expenditure (Assist in budget compilation, control expenditure and record information)
- ✓ Ensure income collection through services (Payment rates, tax and services)

CORPORATE SERVICE DEPARTMENT

The position of head of department is vacant and to be filled during the financial year. Its task is to:

- ✓ Render corporate service to the entire organisation
- ✓ Render administrative support (Deal with council matters, registry, general work)
- ✓ Render Human Resource support (Personnel, policies, etc)

TECHNICAL SERVICE DEPARTMENT

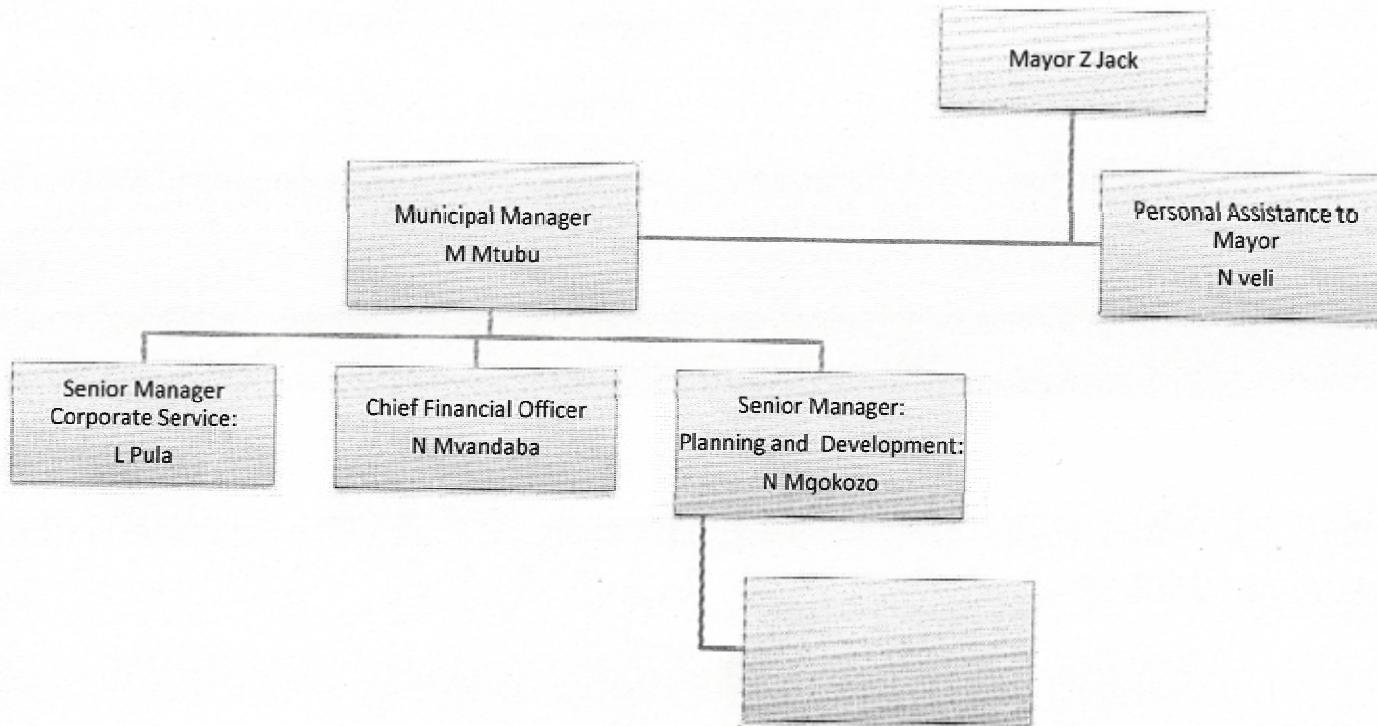
The position of head of department is vacant and to be filled during the financial year. Its task is to:

- ✓ Initiate and manage developmental and LED projects.
- ✓ Manage development on human settlement (Housing, land design, roads, etc)
- ✓ Ensure safe roads network for road uses (Road maintenance, blazing, etc)

ORGANISATIONAL STRUCTURE OF RENOSTERBERG MUNICIPALITY

Attached is the copy of **ORGANISATIONAL STRUCTURE** which highlights all post per department with filled and vacant post as adopted by council for implementation?

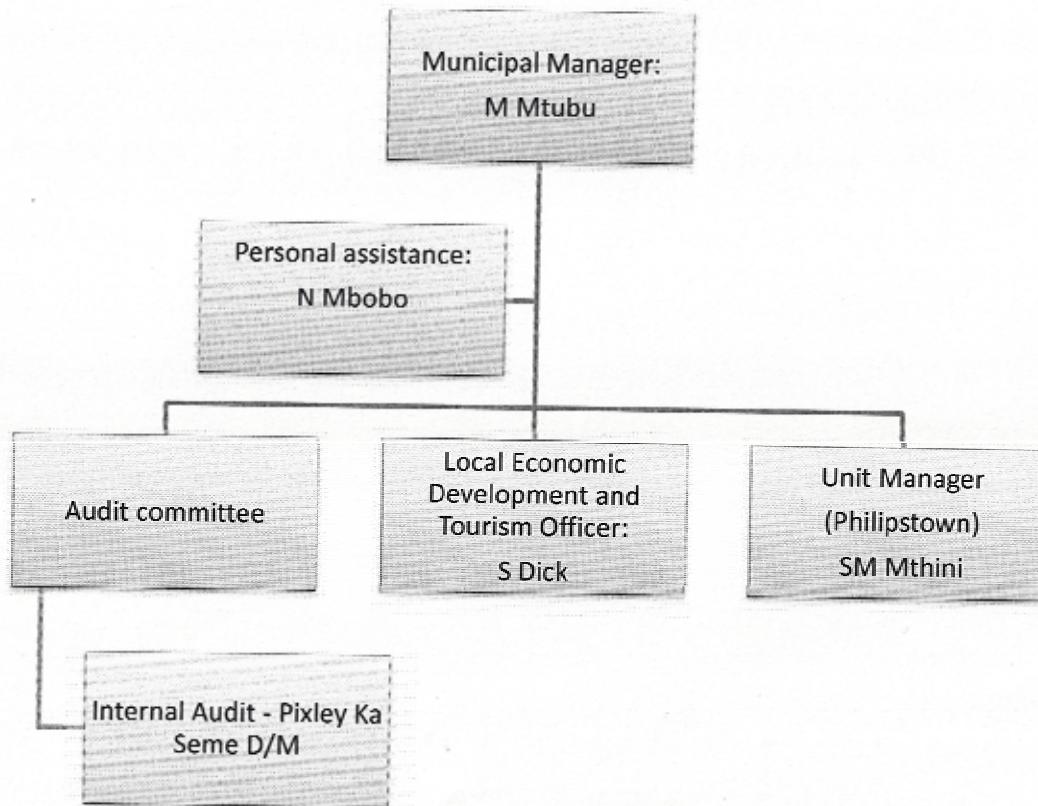
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RENOSTERBERG MUNICIPALITY
Resolutionnr. 6.4 – 16 July 2010



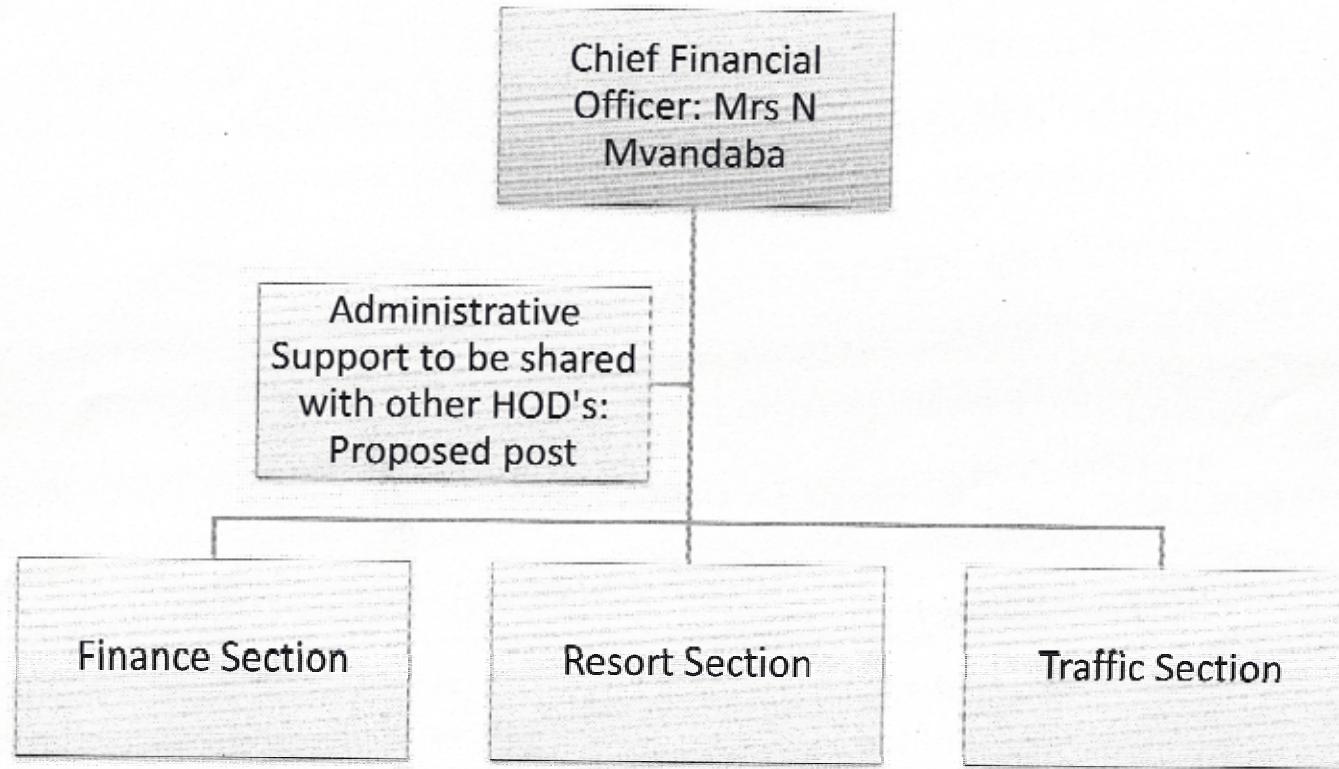
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Mayor: AZ. Jack

APPROVED AMENDMENTS ON THE ORGANISATIONAL STRUCTURE
RENOSTERBERG MUNICIPALITY
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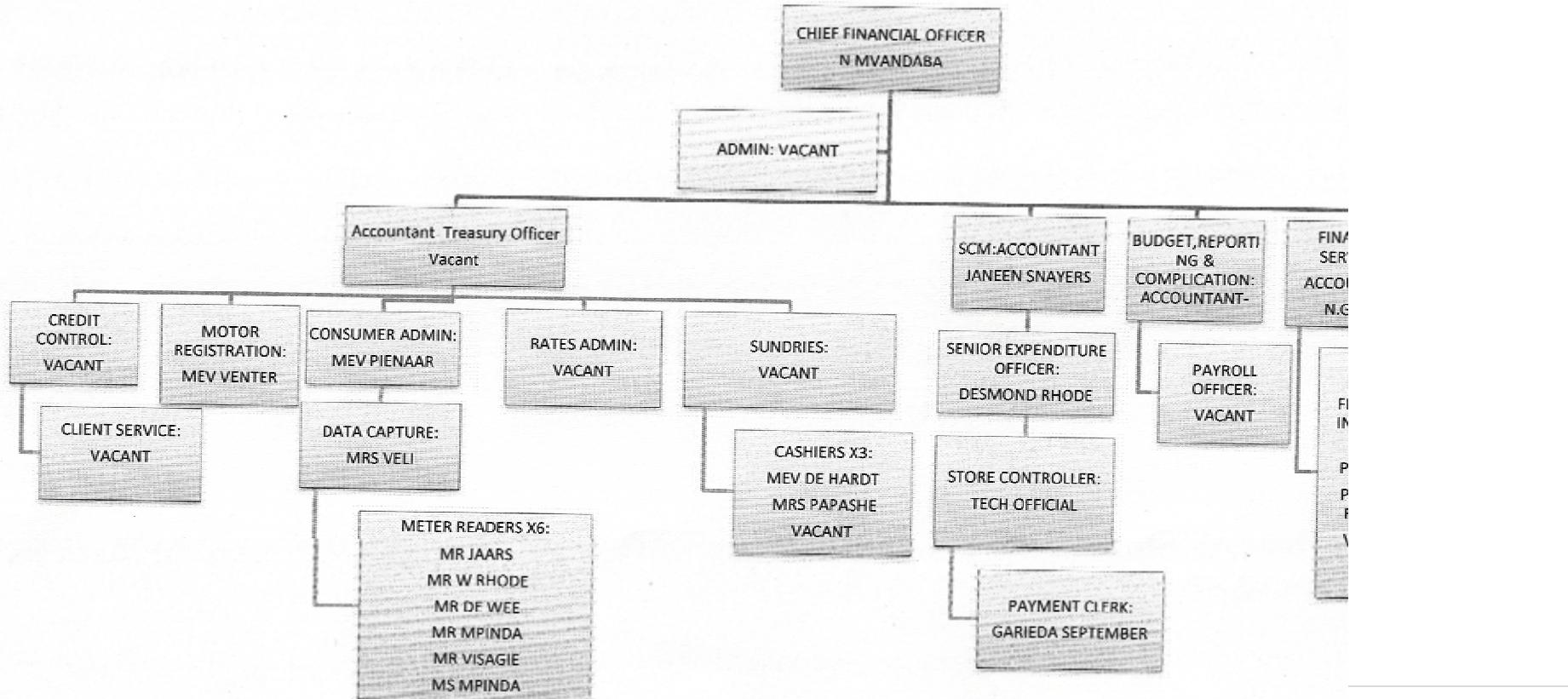


Signed at Petrusville on 16th July 2010 by:

Mayor: AZ. Jack

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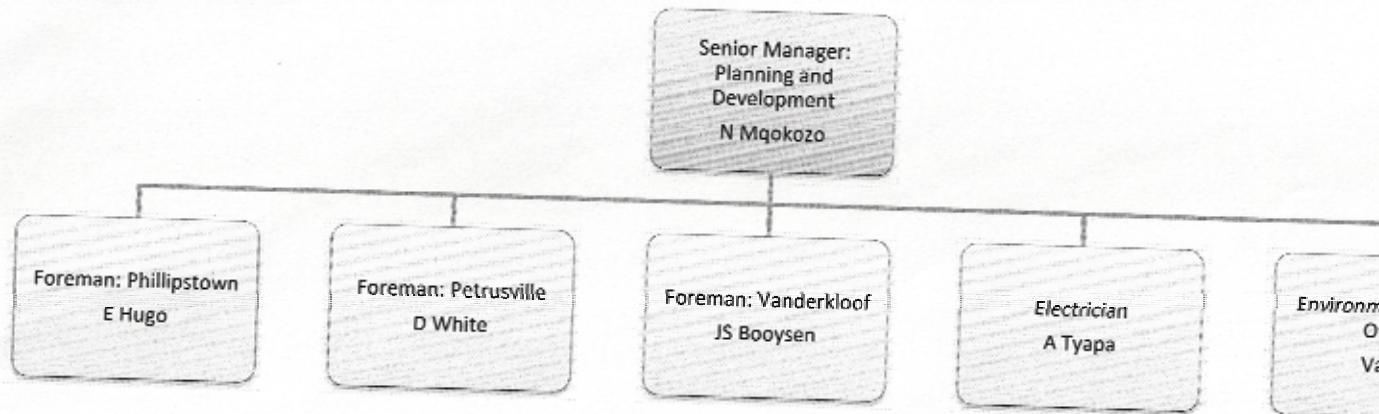
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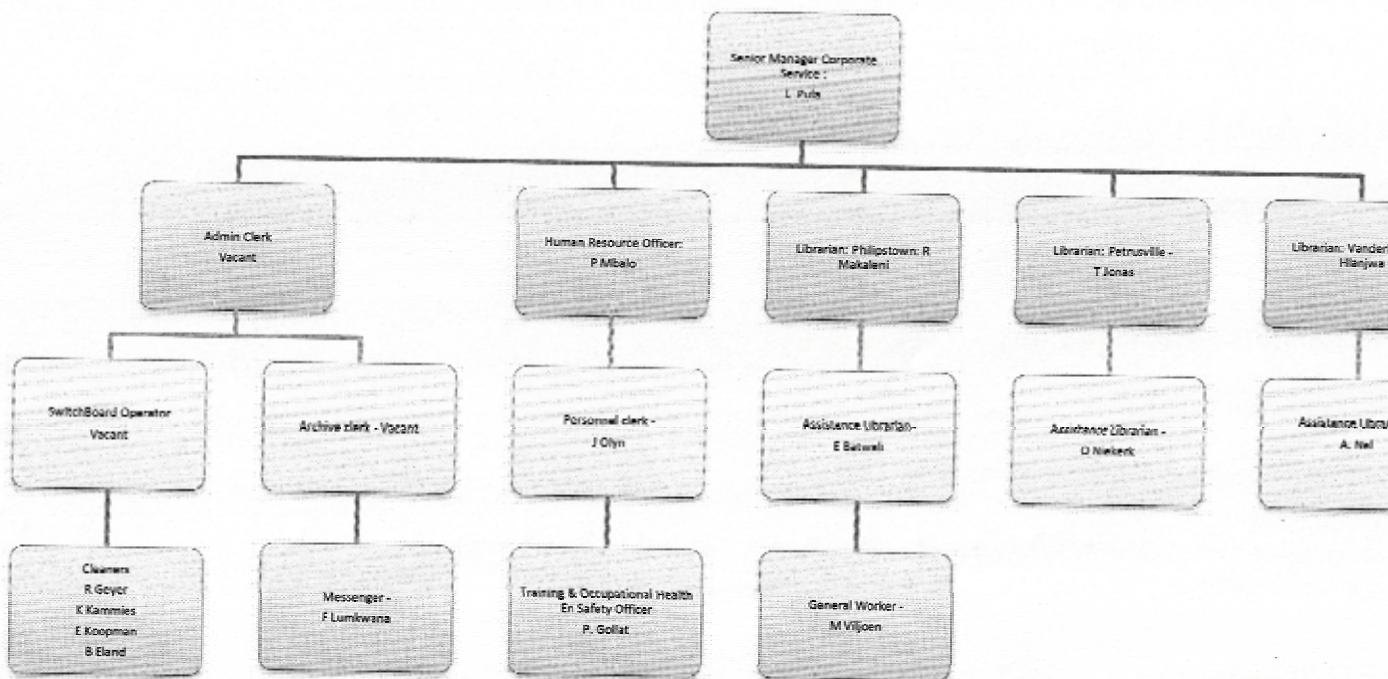
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Signed at Petrusville on 16th July 2010 by:
Mayor: AZ. Jack

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RENOSTERBERG MUNICIPALITY
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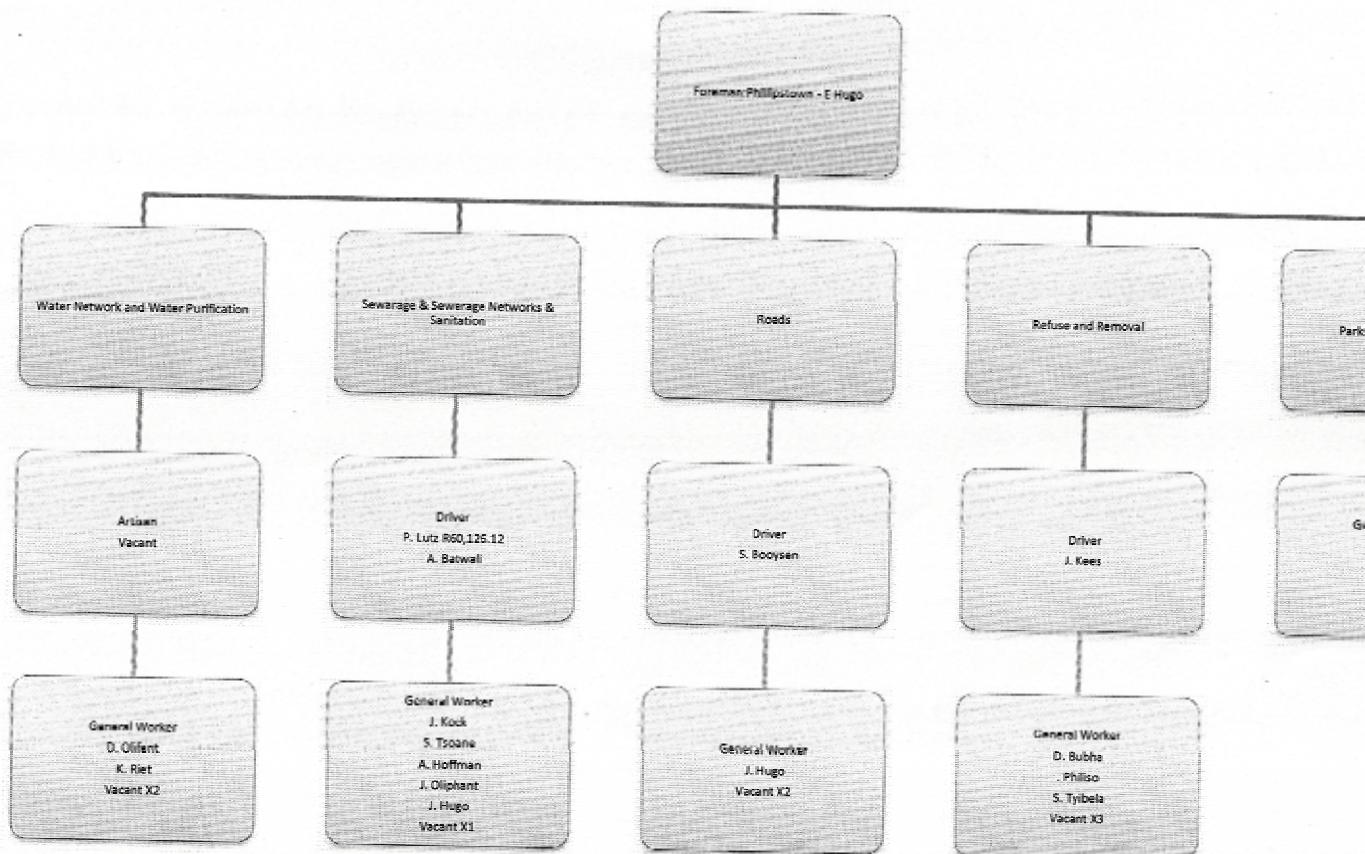
Mayor: AZ. Jack

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RENOSTERBERG MUNICIPALITY

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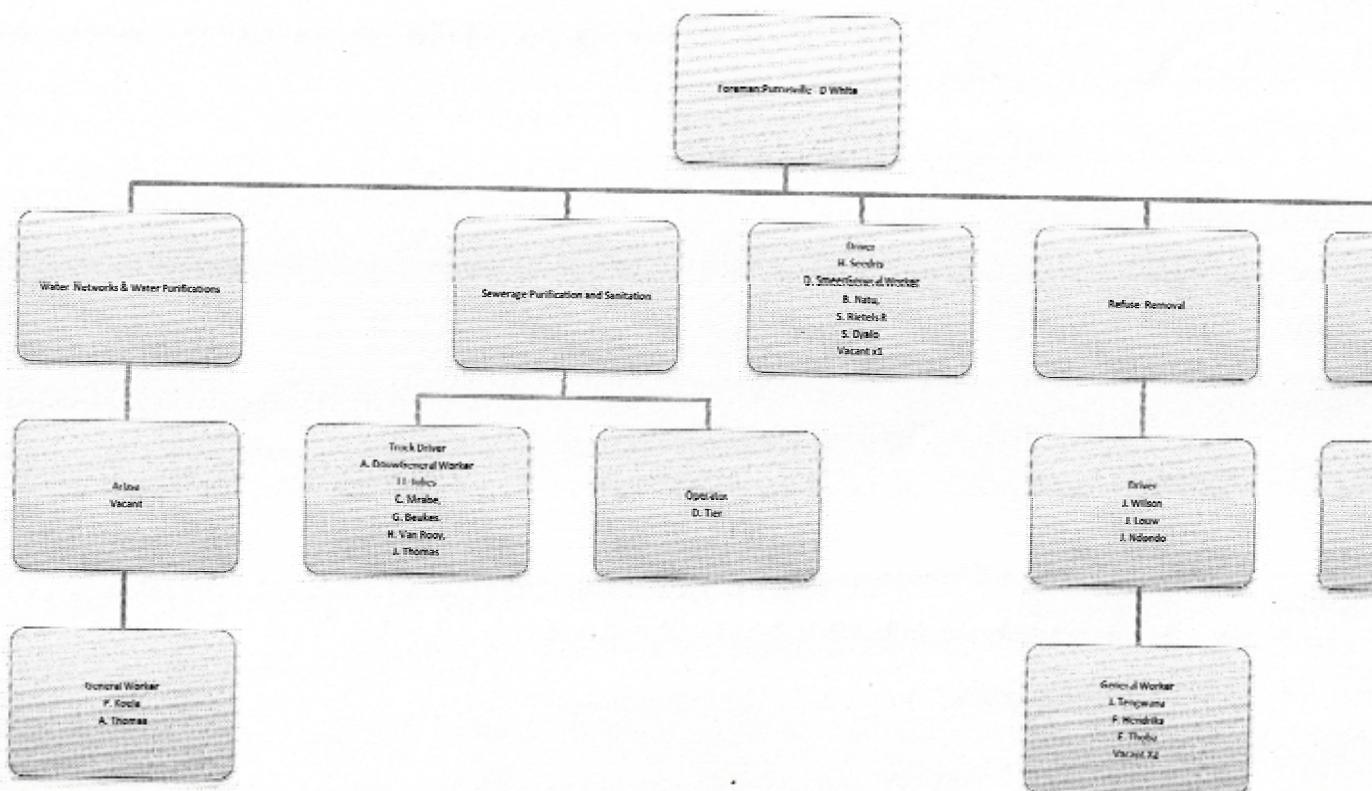


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Mayor: AZ. Jack

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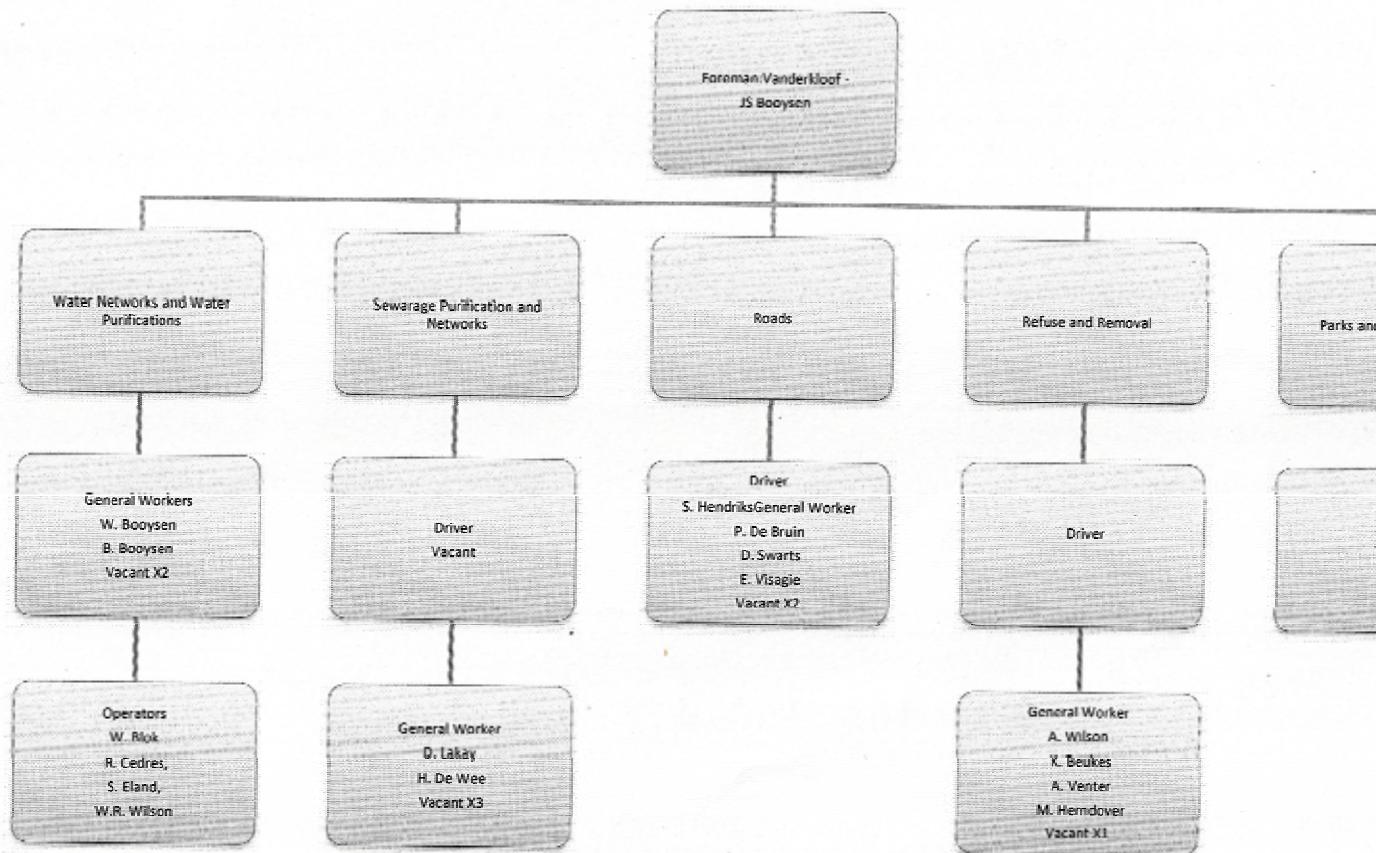
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RENOSTERBERG MUNICIPALITY

Resolutionnr. 6.4 – 16 July 2010

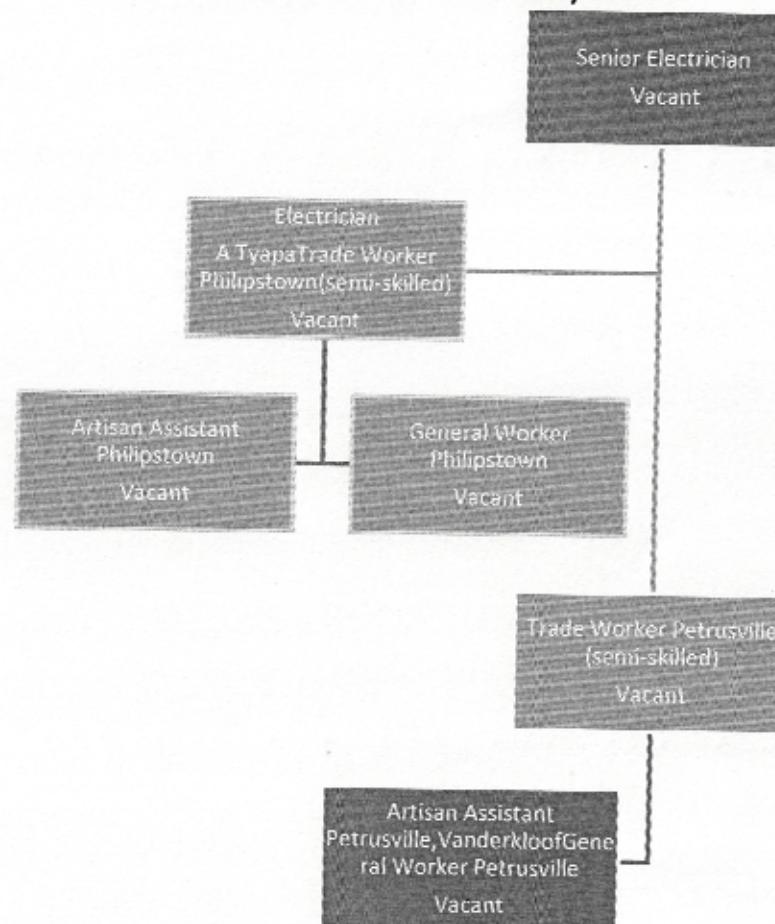
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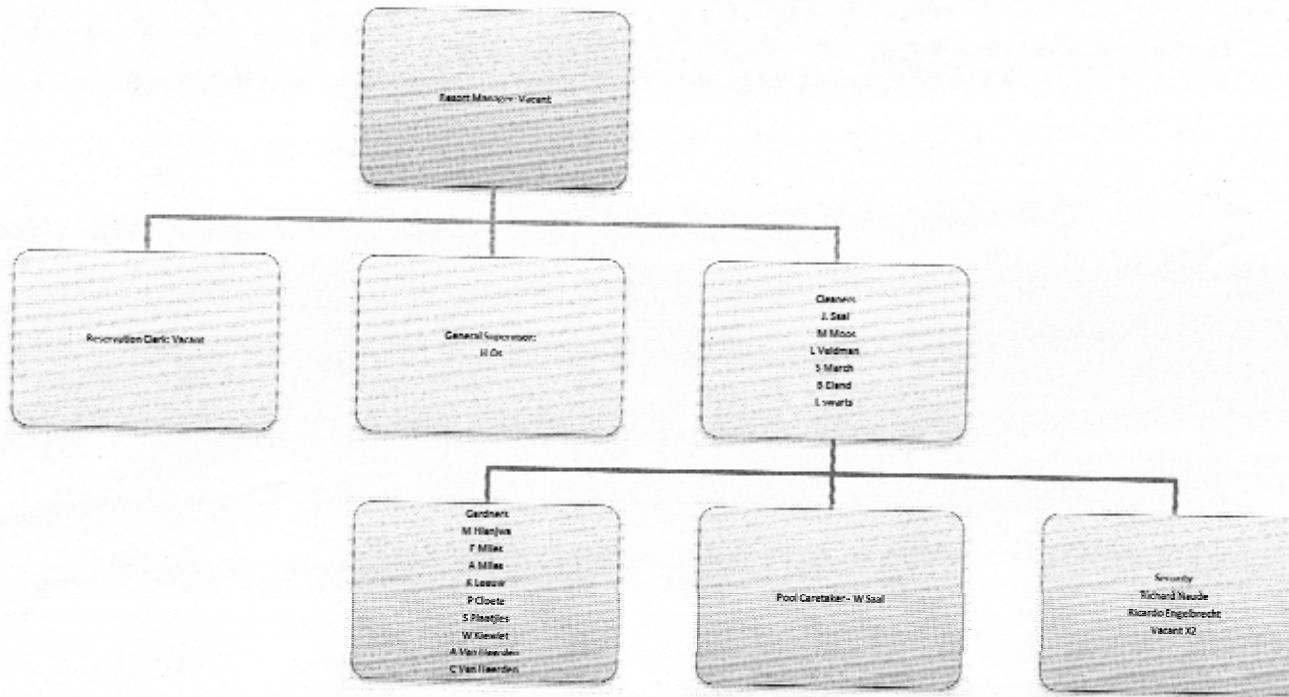
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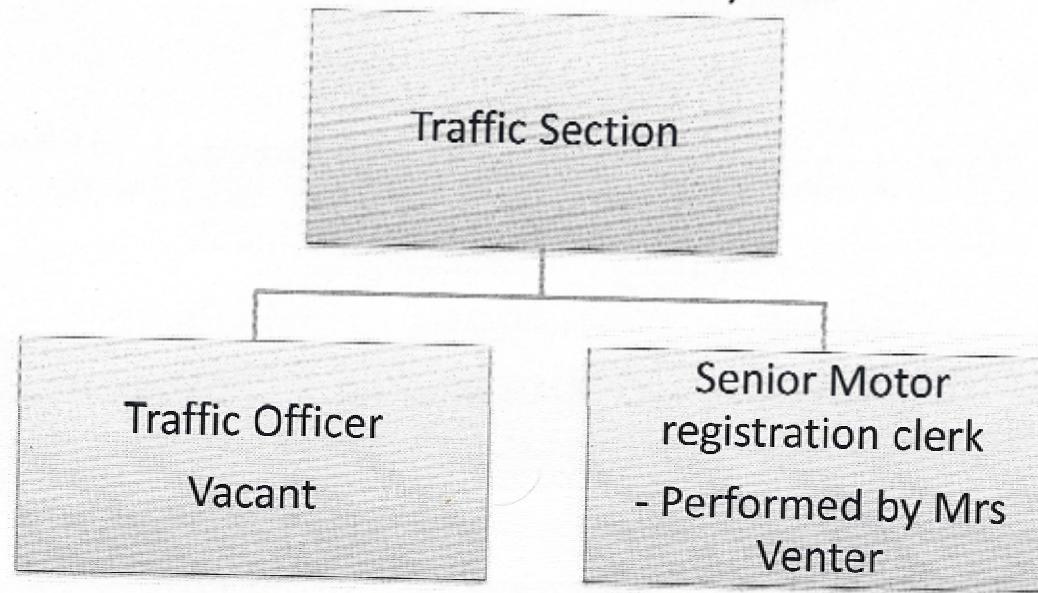


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3.3 SKILLS DEVELOPMENT

The Legislature on Skills Development Act warrant also municipalities to submit their Skills Development Plan which are called Workplace Skills Plan (WSP). Renosterberg municipality had compiled its 2011/12 WSP with the assistance from the Pixley Ka Seme Shared Services and submitted to LGSETA as part of requirement.

The plan highlighted skills shortage of employees and develop training needs which will assist individuals to better their responsibilities. This plan must complement the Institutional Plan on developing employees and capacity on the municipality to deliver services.

A sister plan of WSP is the Employment Equity Plan (EEP) whose task is to ensure there balance of class, gender and race when recruiting employees for all different categories to be accommodated. During 2011/12 Renosterberg municipality did submit their EEP and its implementation report. With the appointment of the Human Resources Officer and the assistance of the Regional Office of the Department of Labour we managed to submit this plan when it was due.

3.4 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Renosterberg Municipality is one of the smallest and poorest municipalities in Pixley Ka Seme District as the result capacity problems and skills shortage in the area is the major challenge. The municipality had compiled Institutional Development Plan during 2006/07 which needs to be reviewed to come up with strategies which will assist in building capacity of present staff.

The following are the key issues for Institutional Transformation:

- Lack of capacity in staff component to undertake required services from community.
- Insufficient funds to finance infrastructural development programmes
- To ensure sustainability more external government funds for capital projects
- Insufficient funds to implement IDP projects
- Lack of Human Resource due to minimum financial capacity

3.5 Administrative and Human Resources

Municipalities are obliged to develop a *system of delegation of powers* as outlined in both the Local Government Municipal Structures Act (1998) and the Municipal Systems Act (2000). An analysis of the municipal status quo of Northern Cape municipalities by DH&LG¹ found that at June 2002, Renosterberg had not started the process.

¹ A status quo analysis of local government in Northern Cape. Department of Housing and Local Government, 05 December 2000 to June 2002.

Local government as a sphere of government must adhere to the *procurement policy* and procedures promulgated as national legislation. None of the Karoo municipalities have formal employment policy with regards to employing residents on a casual or contract basis. (Setplan, 2002)

The White Paper on Local Government (1996) describes performance management, linked to integrated development planning and public participation as important tools of developmental local government: "Involving communities in developing some municipal key performance indicators increases the accountability of the municipality. Some communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households. Whatever the priorities, by involving communities in setting key performance indicators and reporting back to communities on performance, accountability is increased and public trust in the local government system is enhanced."

This idea was taken further and in the Local Government Municipal Systems Act (Act 32 of 2000) municipalities are directed to have a system of performance management in place (Section 38-49). A performance management system (PMS) allows the municipality to track its performance and to some degree directs the achievement of vision, mission and short and longer-term goals. It further provides an early warning system of risks faced by the municipality, and in the very least it is a mechanism for learning and improvement. It should be noted that this PMS does not refer to the performance of employees, but only to the performance of the municipality as an institution.

The Municipal Systems Act (2000) requires all municipalities to:

- Develop a performance management system
- Set targets, monitor and review performance based on indicators linked to their IDP
- Publish an annual report on performance for the council, staff, the public and other spheres of government
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government
- Have the annual performance report audited by the Auditor-General, and
- Involve the community in setting indicators and targets and reviewing municipal performance

There are further regulations that include nine national key performance indicators, on which all municipalities are required to report; and new requirements for both internal and external audit processes of municipal performance. It is uncertain whether Renosterberg has started the process of developing a PMS.

In adhering to the development of Municipal Strategy both Treasury and Auditor General had come up set of guidelines key National Performance Areas in which municipalities are expected to implement.

4 CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

The Municipality's Annual financial Statements for the 2011/12 financial year was compiled and submitted late, as was the Annual Financial statement of the previous financial year. This leads to a situation where a number of processes could not be completed in time. The current Annual financial statements are being audited currently and may still be subject to changes. The Auditor General's Report on the Annual Financial statement for the 2011/12 financial year is not finalised yet and thus a copy of this Report could not be included in this report. The Municipality who operated with seconded managed could also not engage into a performance and assessment system and you will find no reference to the measurement of performance against the Service Delivery Budget Implementation Plan in this document.

Annual Financial Statements is attached to this document

5 CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

5.1 *RESORT*

The Municipality has an operational holiday resort on the banks of the Orange River at the Vanderkloof Dam, the infrastructure of the resort needs to be upgraded as it is old and the municipality struggles to do the necessary maintenance on the resort. The resort does not show a profit and needs to be funded from the operational budget of the municipality. Feasibility studies were done on how to better make use of the facilities at the resort, the resort is a very popular in-land holiday destination and with the necessary upgrading it might be a source of income for the municipality. It might also contribute to addressing the unemployment in the municipality.

5.2 *TECHNICAL SERVICES*

The Department Technical Services delivers the following major services:

Electricity

Although the infrastructure is old and needs constant maintenance and upgrading, Renosterberg Municipality managed to service 1400 households and 150 business directly with at least basic electricity services and 1200 households indirectly with electricity services through Eskom as service provider. The total community within the proclaimed towns has been serviced with street lighting (high mast and street lights).

Water

All households within the Renosterberg Municipality service delivery area, excluding farms have been serviced with clean basic water services. The municipality is currently in the process of replacing the aging water infrastructure network in the town of Vanderkloof.

Waste Management

The total households within the service area of the municipality, farms excluded, receive a full basic solid waste and waste water management services on a weekly basis. A solid waste site in Petrusville has been commissioned while a wastewater purification plant in the Vanderkloof service area is under planning.

5.3 LOCAL ECONOMIC DEVELOPMENT

This report will cover all the activities that unfolded during the past year 2009/2010 , it will deal with all the measures and initiatives that were put in place to ensure an enabling environment for Local economic development , the number of SMMEs trained and developed and the number of cooperatives that were trained .

The following were the highlights in the sad period

Having an LED sustainable initiative or project in all three towns and a an LED strategy implemented this will happen through the number of SMMEs created to create sustainable jobs and 6 SMMEs were created in the financial year under review . Also to have an LED plan in place (LED strategy) is a priority however the strategy is not in place as yet but a process with the assistance of the Department of Economic development and tourism is being implemented to develop the strategy , we are at an advanced stage in terms of the LED strategy through the guidelines developed by the provincial LED summit .An Led forum has been established and there were two meetings that were convened .

In the promotion of Local economic development , there will be a Local economic development summit for all the stakeholders in the LED forum this will happen through a culmination in the phases that are contained in LED framework by the LED provincial summit and we intend to have this event by the end of January 2011 , in the promotion of BEE as part of the economic development we have trained 6 SMMEs to date and we have assisted 4 cooperatives focusing on women and youth

In the promotion and facilitation of investment in the municipal area we held to2 meetings with potential investors and on tourism development and promotion by having the Holiday Resort graded we have submitted an application to the department of economic development and tourism and we are still awaiting response with this regard from them . There were 69 jobs that were created through the municipal capital and EPWP projects .

In tourism development and promotion a brochure has been developed which focuses on the marketing of the Holiday Resort , the dam and the nature conservation , there were 7 engagements with in institutions and departments to promote the holiday Resort , the number of bookings have improved dramatically in the past year and the average is 45 bookings a month. the painting of the Holiday resort has been 100% completed , the refurbishment of the ablution blocks in the caravan park have been 80% completed .

We are in process of a Public Private Partnership(PPP) for the Holiday resort a pre-feasibility study has been conducted and we are in a process of procurement stages for the

transaction advisers to conduct a extensive feasibility study that will investigate the viability of the PPP in the holiday resort to better advise council on the an informed decision to be taken. The closing date for the bids is the 10th December 2010 and the Transaction adviser will be appointed on the 15th December 2010.

Challenges

The LED strategy or plan is still outstanding and it makes it difficult for the LED environment, lack of incentive policy for the investors and a land audit

What has been done / Achievements

1. 30 SMMEs have been trained by SEDA on the following disciplines:-

- Business Management
- Marketing
- Development of Business Plans/ Profiles
- Do's and don'ts on the tendering process
- Starting up a business
- Training in different sectors(Vaibility) of the economy

2. Development of the Local Economic Development Strategy

- Department of Economic Development and Tourism has assisted the Municipality in developing the Strategy:
- The Strategy has been finalised and will be presented to Council in the August Council Meeting.

3. Vanderkloof Holiday Resort

- The PPP (Private , Public Partnership)
- The bidding process to appoint transactional advisors closed in December 2010.
- No appointment was made as we have realised that the funds allocated were not sufficient(R400.0000) based on the amounts on the bids that we received ,and we have been in a process to engage the prospective bidders to lower their bidding amounts especially for the conducting of the feasibility study but with no success . In the last meeting held with provincial treasury on the 6th of June 2011 we decided to apply for additional finding at national treasury and we are since waiting for a response.

4. SMMEs and Cooperatives Development

- Xikaina pig farming (Phillipstown)

They were given financial support to the value of R240.000 to expand their business and deal with the challenges that they were facing such as buying of feeds ,paying for transport , improving of their infrastructure and establishing markets to sell their pigs .

- Phambili brick making project (Phillipstown)

They were given business support and advice on how to expand and develop their business , as they had challenges ranging from lack of sales. The department committed to offering courses on marketing and improving their public relations with clients like the municipality. As the municipality we have been in a process of ensuring that we will make it possible for

them to sell the next batch of paving bricks for the EPWP project from them and this is proving to be successful given they have the necessary capacity and the standard to deliver.

- Qalokutsha cooperative (Petrusville)

Their business is making of beads, traditional clothing, shoes and other clothing that the clients may require

They were allocated R500.000 by the department of sports arts and culture but there were problems in the depositing of the amount in to their bank account. But through the intervention of the team the amount was since deposited to their account and they have since started with their operations. The challenge they are facing now is space or a building to properly carry out their business.

- Clay bricks (Petrusville)

A preliminary study was conducted in conjunction with MINTEC on the clay deposit at the Saaidam area in petrusville and this study discovered that the clay can be used in manufacturing one of the finest face bricks in the country. However an extensive geological study has to be conducted to establish the extent of the clay deposit in the area and this study proved to be very expensive and the municipality is not in a position to commission this study. The department of economic was approached to assist in this regard and they agreed to this regard. There is a process that is being undertaken to proceed with the study where the department will be assisting the municipality in the financing of the study

- Water Festival

Last year in October we hosted a very successful Water Festival in October and for this year we are planning to go even bigger. A proposal was sent to the Department of Economic Development and tourism for the funding of this Festival and we are still awaiting for their response

- Special stone in Petrusville

A presentation was made to council on the possible discovery of a precious stone that would be manufactured as jewellery, perfume bottles and so forth, we are in the process of ensuring that a proper study will be conducted to ensure that this initiative becomes reality as this will be a major economic activity in the municipal area.

- Training by NHBRC

NHBRC had trained 48 people in Phillipstown on different disciplines and this ensured that they are skilled in Plumbing, Masonry and in Roofing,

- Job creation

So far through the Municipal capital, EPWP projects and other projects we have created more than 479 job opportunities.

- Grading of Vanderkloof Holiday Resort

- Continued support to SMMEs by the municipality eg. Preferential procurement

- Funding of programmes to support SMMEs
- Negative marketing of the Municipality(Resort) by organisations within the municipality(Vanderkloof Tourism Forum)